

APPENDIX A

Phase I Environmental Site Assessment (Excerpts from Hart Crowser 2002a)



HARTCROWSER

Delivering smarter solutions

April 19, 2002

Anchorage

Mr. John Battle
Pine Street Group, L.L.C.
1500 4th Avenue, Suite 600
Seattle, Washington 98101

Boston

Re: Preliminary Environmental Assessment (Phase I)
Arcade Plaza Building and Parking Lot
1321 Second Avenue
Seattle, Washington
7731

Denver

Edmonds

Dear Mr. Battle:

This letter report presents the results of our preliminary environmental assessment at the subject property referenced above. The project work scope was completed in accordance with our proposal 02-51-1123, dated March 15, 2002. The property contains an eight-story office building constructed in 1927. We understand that you are working for Washington Mutual, who is in the process of purchasing the property for redevelopment. Our preliminary environmental assessment provides information on the current conditions and the past practices at the property to evaluate whether it is likely that potentially adverse environmental conditions may be present.

Eureka

Jersey City

We understand that a Hazardous Materials Survey is currently being conducted by Prezant Associates. Therefore, our work does not include an assessment of asbestos-containing materials, lead-based paint, PCBs, and other hazardous building materials.

Juneau

Our report begins with a Summary of Findings which is followed by our:

Long Beach

- Scope of Work;
- Subject Property Description;
- Site Geology/Hydrogeology Summary;
- Historical Characterization;
- Regulatory Agency Database List and File Review;
- Site Reconnaissance;
- Potential for Contamination; and
- Limitations.

Portland

Seattle



Figure 1 is a Vicinity Map showing the location of the subject property. Figure 2 is a Plan Map showing the general vicinity of the subject property and the location of the photographs taken during the site reconnaissance. Photographs are presented in Appendix A. Copies of historical documents are presented in Appendix B. Appendix C presents the EDR Inc. (EDR) site assessment report.

Anchorage

Boston

SUMMARY OF FINDINGS

Based on the information gathered during our historical and agency database list review, personal interviews, and site reconnaissance, the potential for subsurface contamination is low for the subject property. The property was occupied by a residence in the late 1800s, and by retail stores and offices since the early 1900s. No areas of potential environmental concerns were identified adjacent to the subject property.

Denver

Edmonds

SCOPE OF WORK

Our preliminary environmental assessment included:

Fairbanks

- Conducting a historical review of the subject property and surrounding area;
- Reviewing regulatory agency database lists for the subject property and adjacent sites;
- Conducting a site reconnaissance to observe the subject property and surrounding properties; and
- Preparing this letter report presenting the findings of our work.

Jersey City

Juneau

SUBJECT PROPERTY DESCRIPTION

Long Beach

The subject property is located at 1321 Second Avenue in downtown Seattle, Washington (Figures 1 and 2). The property is a 43,000-square-foot lot containing an eight-story plus basement office building known as the Arcade Plaza (also known as the Museum Plaza). The property also includes a 14,000-square-foot commercial parking lot operated by Ampco. The upper floors of the building are currently vacant. Retail tenants are present on the Second Avenue and First Avenue levels. The property is owned by the Seattle Art Museum.

Portland

Seattle



SITE GEOLOGY/HYDROGEOLOGY SUMMARY

Based on soil borings conducted by Hart Crowser on the subject property block in 1981, the predominant soil type on the east end of the property near Second Avenue is dense to very dense, silty Sand. The soil type at the west end of the property near First Avenue is stiff to hard, clayey Silt and sandy Silt. Both units extend to a depth of about 70 to 80 feet below the existing ground surface.

Groundwater was encountered in the Hart Crowser borings at approximately 20 to 30 feet below grade. The topography of the property slopes downhill to the southwest with elevations ranging from 94 feet at the intersection of Second and Union to 70 feet on First Avenue at the Ampco parking lot. Based on surrounding area topography, the inferred groundwater flow direction is to the southwest toward Elliot Bay. However, local flow directions in this area may be complex and influenced by utility trenches, foundation backfill, or other subsurface structure which act as preferential pathway for near-surface groundwater flow.

HISTORICAL CHARACTERIZATION

We researched the history of land use activities on the subject property and adjacent sites to identify potential sources of contamination or activities that could impact the subject property.

Historical characterization of the subject property and the adjacent sites was developed from the following sources:

- Aerial photographs (Pacific Aerial Survey 1953; Puget Sound Regional Transportation Study 1961 and 1965; Washington Department of Natural Resources 1970, 1985, and 1995);
- Topographic maps (U.S. Coast and Geodetic Survey 1899, and USGS South Seattle 7.5' Quadrangle, 1983);
- Fire Insurance Maps (Sanborn 1884, 1888, 1893, 1905, 1950, and 1969);
- Real Estate Maps (Baist 1905 and 1912; and Kroll 1920, 1930, and 1939);
- King County Tax Assessor records (Puget Sound Regional Archives);



- Seattle Now & Then Volume 3, by Paul Dorpat;
- Seattle Department of Construction and Land Use (DCLU) permits and plans;
- Seattle Street Directories (Polk 1938, 1940, 1951, 1959, 1969, 1969, 1979, 1989-1990, and 1996); and
- Interview with Martin Smith building manager Chuck Taug.

A Chain of Title was not available for review. Dates in the text refer to historical records and provide an approximate indication of the period of operation for each business or activity identified, except where explicitly stated. Copies of Sanborn and Baist maps, and tax records are presented in Appendix B.

Subject Property

A large residence was constructed on the west half of the subject property in 1865 and occupied by Seattle founder Arthur Denny. Sanborn maps indicate that the residence (1328 First Avenue) and outlying sheds were also present in the 1880s and 1890s. The residence also contained a doctor's office in 1893. Arthur Denny died in 1899, and the pasture behind the home on Second Avenue was developed as the Arcade Building in 1901. As indicated in the 1905 Sanborn, the Arcade Building contained offices and shops fronting Second Avenue and extended a full block south to University Street. The Denny house stood until 1907 when it was razed for development of the Arcade Annex Building. The Arcade Annex fronted First Avenue and also extended a full block from Union to University Streets. The two Arcade buildings were separated by an alleyway "known as Arcade Way" extending the full block.

The northern 180 feet of the Arcade Annex and Arcade Building were demolished to make way for the existing Arcade Plaza building in 1927. The building was occupied by the Rhodes Department Store from 1927 until the mid-1960s. A building department plan indicates that a paint booth was present in the penthouse in the 1950s. Otherwise, the entire building was used for retail and office purposes. The building was occupied by a variety of federal offices (including the Departments of Housing and Urban Development, Health, and Social Security) in the 1960s and 1970s. The National Bank of Commerce in was also present on the fifth and sixth floors in 1969. The building was listed as vacant in 1989. According to the current building manager, Nordstrom offices occupied floors three through eight for at least twelve years until 2001. Nordstrom Credit Union was listed as the



tenant in the 1996 directory. Ken's Camera and Kinko's Inc. copy center have been present in the Second Avenue lobby area since the mid-1980s.

The Ampco parking lot was occupied by two Arcade buildings from the early 1900s until at least 1964 on the Second Avenue side, and 1990 on the First Avenue side. A workshop and a photo store are shown as ground floor spaces in the 1950 Sanborn. The workshop is identified as a restaurant in the 1969 Sanborn. A two-story parking garage (Arcade Plaza Parking) was constructed in 1964. The Arcade Annex building and parking garage were demolished in 1990 to make way for the Seattle Art Museum and the Ampco parking lot.

Surrounding Properties

The surrounding area was residential in the 1870s and 1880s and transitioned to a commercial district dominated by hotels in the 1890s and 1900s. The Harold Poll Building located across Union Street to the north, was constructed in 1910. The Harbor Cleaning center (dry cleaners) was located in the Poll Building at 108 Union Street in 1989-90. Sound Printing was also located in the Poll Building at 106 Union Street from the 1930s until the 1980s.

The Seattle Daily Times and A.W. Denny Building located kitty-corner to the northeast across Second and Union were constructed by 1905. The City Dye Works was listed in the Daily Times building at 202 Union Street in 1938 and 1940. The dye works was listed as a branch, though it was not determined whether it was an office, a drop-off site, or a dyeing facility. An eight-story parking garage (The Parkade) was constructed on the Denny Building and Daily Times site in 1969.

Upgradient properties across Second Avenue in the early 1900s included the Hotel Curtis, and the Esterbrook and Walker Buildings. The buildings contained offices, lodgings, restaurants, and shops until demolition occurred in the early-1990s to make way for the Benaroya Concert Hall completed in 1998.

The existing parking garage located to the west across First Avenue was constructed in 1928. Street level retail shops have been present since the 1930s. In-house Hart Crowser documents and historical maps indicate that a Burlington Northern rail tunnel is located beneath the Benaroya site and the intersection of Second Avenue and Union Street.

As discussed in the subject property review, the adjacent property to the south contained the Arcade and Arcade Annex buildings, and the parking garage until construction of the art museum occurred in the early 1990s.



Aside from the brief appearances of the City Dye Works and Harbor Cleaning Center in the 1930s and 1980s, respectively, our review of historical records for the surrounding properties did not identify other any past activities of environmental concern such as gasoline retailing, other dry cleaning, or industrial manufacturing on the surrounding properties.

REGULATORY AGENCY DATABASE LIST AND FILE REVIEW

This section describes the regulatory agency database lists reviewed for sites of concern by Environmental Data Resources, Inc. (EDR) and the results of our regulatory agency file review. EDR is a firm that acquires data from government agencies on various media such as magnetic tape, disk, and hard copy. The purpose of the regulatory agency database list review was to screen for potential sources of contamination or activities of environmental concern for the subject property and adjacent properties. The agency-published databases were screened for sites of potential concern in general accordance with current American Society for Testing and Materials (ASTM) standards. Because our regulatory agency database search was based on current agency records, our results are only as accurate as the records provided.

Regulatory agency database lists reviewed and approximate search distances from the subject property are detailed below:

- Environmental Protection Agency (EPA) National Priorities List (NPL) (January 2002) - List of "Superfund" sites; search radius of 1 mile;
- EPA Region 10 Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) List (November 2001) - List of sites which are either proposed to or are on the NPL and sites currently being reviewed for possible inclusion on the NPL; search radius of 1/2 mile;
- EPA Emergency Response Notification System (ERNS) List (June 2000) - List of reported CERCLA oil or hazardous substance releases or spills; search for subject property;
- EPA Region 10 Resource Conservation and Recovery Information System (RCRIS) List (December 2001)
 - Treatment/Storage/Disposal (TSD) - List of generators and transporters of hazardous waste, and TSD facilities; search radius of 1 mile;



- Large Quantity Generator (LQG), Small Quantity Generator (SQG) - List of facilities that qualify as large or small quantity generators of hazardous wastes under RCRA; search radius of 1/4 mile;
- EPA Region 10 RCRA Corrective Action Sites (CORRACTS) List (November 2001) - List of RCRA facilities which are undergoing corrective action; search radius of 1 mile;
- EPA Region 10 Superfund (CERCLA) Consent Decrees (CONSENT) List (Variable) - List of major legal settlements establishing responsibility and standards for cleanup at NPL sites; search radius of 1 mile;
- EPA Region 10 Facility Index System (FINDS) List (October 2001) - Lists both facility information and "pointers" to other sources that contain more detail; search for subject property;
- EPA Federal Superfund Liens (NPL Liens) List (October 1991) - List of filed Superfund liens; search for subject property;
- EPA PCB Activity Database System (PADS) List (December 2001) - Lists generators, transporters, commercial storers, and/or brokers and disposers of PCBs who are required to notify the EPA of such activities; search for subject property;
- EPA Region 10 RCRA Administrative Action Tracking System (RAATS) List (April 1995) - List of sites under RCRA pertaining to major violators undergoing enforcement actions, search for subject property;
- EPA Region 10 Toxic Release Inventory System (TRIS) List (December 1999) - Inventory of toxic chemicals emissions from certain facilities; search for subject property;
- EPA Toxic Substances Control Act (TSCA) List (December 1998) - Identifies manufacturers and importers of chemical substances included on the TSCA Chemical Substance Inventory list; search for subject property;
- EPA Delisted NPL Sites (Delisted NPL) (January 2002) - Sites identified for deletion from the NPL where no further response is appropriate; search for subject property;
- EPA No Further Remedial Action Planned (NFRAP) List (November 2001) - Identifies sites that have been removed from CERCLIS; search for subject property;



- Federal Records of Decision (ROD) List (October 2001) - List of Superfund Sites where ROD property has been developed; search radius of 1 mile;
- US Department of Transportation (HMIRS) List (September 2001) - List of hazardous material spill incidents reported to DOT; search for subject property;
- Nuclear Regulatory Commission (MLTS) List (February 2002) - List of sites which possess or use radioactive materials and are subject to NRC licensing requirements; search for subject property;
- Washington Confirmed and Suspected Contaminated Sites List (CSCSL) (November 2001) - List of sites currently being investigated by the Washington State Department of Ecology (Ecology) under the Model Toxics Control Act (MTCA); search radius of 1 mile;
- Ecology Hazardous Sites List (HSL) (February 2002) - List of sites assessed and ranked using the Washington Ranking Method (WARM); search radius of 1 mile;
- Ecology Leaking Underground Storage Tank (LUST) Site List (March 2002) - List of registered leaking USTs in Washington; search radius of 1/2 mile;
- Ecology Underground Storage Tank (UST) Registration List (March 2002) - List of registered USTs in Washington; search radius of 1/4 mile;
- Ecology Solid Waste Facilities/Landfill Sites (SWF/LF) (December 2001) - List of permitted solid waste landfills operating in Washington; search radius of 1/2 mile; and
- Ecology Independent Cleanup Reports (ICR) (October 2001) - List of sites undergoing cleanup for which reports have been received by Ecology from either the owner or operator; search radius of 1/2 mile.

EDR conducted a review of the regulatory agency database lists indicated above. The report of the database search provided by EDR includes a list of databases searched, a statistical profile indicating the number of properties within 1 mile of the subject property, selected detailed information from federal and state lists, and an overview map illustrating the identifiable and mappable sites within 1 mile of the subject property. The EDR report is presented in Appendix C of this report. Refer to the EDR report for more detailed information and additional local database lists reviewed.



The purpose of a file review is to acquire regulatory agency file information for the subject property and adjacent sites of potential concern based on their database-type listing and to identify potential sources of contamination or activities of environmental concern. The review is limited to current files and does not include a review of archived information.

On April 15, 2002, we made Freedom of Information Act (FOIA) requests to Ecology and EPA to inquire about the availability of regulatory file information for the subject property. Based on information provided in the EDR report, we did not require additional information for nearby properties regarding potential sources of contamination or activities of environmental concern to the subject property. The following summarizes the results of the database search and review of available file information.

Subject Property

The Arcade Plaza c/o Martin Smith, was identified on the RCRIS Small Quantity Generator list. No files were available at Ecology's Northwest Regional Office in Bellevue, Washington. Chuck Taug did not know the reason for the listing. The Martin Smith building engineer, Richard O'Neil, did not respond to our phone messages. Our request to EPA is pending and any pertinent information will be furnished as an addendum to this report.

Nearby Site Information

Several surrounding area properties were listed on the Ecology's LUST or ICR lists. These include the following:

- J.C. Penney at Second and Union (LUST list);
- Parkade at 1400 Second Avenue (ICR and LUST lists);
- Jones Building Ampco Garage at 1331 Third Avenue (ICR and LUST lists); and
- US WEST, a.k.a. 1200 Third Avenue (LUST list).

Other than US West, none of the above sites were listed as having groundwater contamination. The Parkade and J.C. Penney sites were reported to Ecology as "cleaned up" in 1994 and 1995, respectively. The Jones building was reported as "cleaned up" in 1996. The US West site is located two blocks to the southeast, and is in the inferred cross-gradient groundwater flow direction to the subject property.



Seattle Steam, identified on the CSCSL list, is located two blocks to the west, downgradient from the subject property.

The EDR report also identified several area properties as UST and RCRA Small Quantity Generator sites. Appearance of sites on the RCRA and UST lists indicates hazardous waste generation and registration of underground storage tanks, respectively, and does not necessarily indicate releases to soils and/or groundwater.

In summary, none of the neighboring properties identified in the EDR report appear to have a likely potential for adversely impacting the subject property. The sites listed in the area with leaking USTs reported are either located in a cross-gradient or downgradient groundwater flow direction, have been reported as cleaned up, or are positioned at such a distance from the subject property to unlikely have adversely affected it.

SITE RECONNAISSANCE

On April 5, 2002, Rob Roberts of Hart Crowser conducted a site reconnaissance to observe the subject property and current business/land use in a 1-block radius. Mr. Roberts was accompanied by Chuck Taug, the building manager for Martin Smith. Photographs taken during the visit are presented in Appendix A. The following observations were recorded.

Subject Property

The subject property contains the eight-story Arcade Plaza building and an Ampco surface parking lot (Photos 1 and 2, respectively). The building is heated by central steam service, and served by Metro sewer. Floors three through eight were recently occupied by Nordstrom offices and were vacant at the time of our visit. The first floor was occupied by Bella Vita Salon, Books for Kids, and Seattle Art Museum offices. The second floor contained the main lobby and entrance from Second Avenue. Businesses present on the second floor were Seattle's Best Coffee offices, Ken's Camera, and Kinko's Inc. copy center. Small-scale processing of color film is conducted at Ken's Camera. Kinko's conducts photocopying only. No blue printing or printing involving chemicals is performed at Kinko's.

The building contains a full basement and a partial sub-basement. The basement contains storage areas and a chiller room (Photo 3). Several drums of water purification chemicals were present in the chiller room. A flammables cabinet present in the chiller room contained a partially filled 2-gallon gasoline can, and a half-gallon container of paint thinner.



Seattle Steam service reportedly enters the building on the First Avenue-side of the basement, however, the steam lines were not accessible for viewing during our visit.

The sub-basement is located beneath the western 1/4 of the building, and extends partially below the First Avenue sidewalk. The sub-basement contains a loading dock and is accessed through a tunnel located on Post Avenue (Figure 2). The sub-basement also contains a parking garage, a trash compactor, and a storage room. Several empty water purification drums were present in the storage room. A floor drain was present in the parking garage (Photo 4). The building manager stated that the floor drain was connected to the sewer system.

A penthouse located on the roof contains elevator equipment, HVAC equipment, and a propane-fueled emergency generator.

Electric passenger and freight elevators, garbage chutes, and janitor sinks are located on the southwest corner of each floor.

The Ampco lot is asphalt-paved and contains approximately 50 parking spaces. No petroleum products or hazardous materials were observed in the lot.

Underground Storage Tanks (USTs). No underground storage tanks are known to exist. We did not observe vent pipes or fill ports indicative of potential USTs.

Chemicals. Chemicals observed in the building include water treatment materials for the chiller system, janitorial supplies, and photo-processing chemicals at Ken's Camera. Small containers of gasoline and paint thinner were observed in the flammables cabinet in the chiller room.

Petroleum Products and Fuels. A propane tank is present in the penthouse generator room. No other petroleum products or fuels were present.

Hazardous Waste. According to Mr. Taug, no hazardous waste is produced or stored at the property. At Ken's Camera, silver-containing chemicals (bleach fixer and stabilizer) are passed through a silver recovery unit. According to Ken's manager Bob Perin, the silver is picked up for recycling by Hallmark Refining. Mr. Perin stated that Ken's uses C-41 developer, which is diluted during the processing and acceptable for disposal into the sewer system.

Solid Waste. Waste is primarily office trash and is collected by Emerald Services.



Site Vicinity

Surrounding area properties included Office buildings to the north across Union Street, the Parkade garage kitty-corner to the northeast, the Benaroya Concert Hall to the east across Second Avenue, the Seattle Art Museum adjacent to the south, and a three-story parking garage with street-level shops to the west across First Avenue. We did not observe any indications of hazardous material storage or use, or surface indications of USTs including vent pipes or fill ports on the surrounding properties. None of the surrounding property uses appear to present a concern for the subject property subsurface conditions.

POTENTIAL FOR CONTAMINATION

Subject Property

The potential for contaminated soil and groundwater resulting from past activities on the subject property appears low. Historical use of the property has been for residential, retail, and office use since the late 1800s. Building plans indicated that Rhodes department store conducted some spray-painting in the 1950s. Since the building is served by sanitary sewers, past use of paints, and possibly solvents, present a minor concern.

A potential exists for demolition debris to exist beneath the Ampco lot. The original Arcade building was demolished on the east side of the lot in the 1960s. Demolition material was often dumped into the basement of the building. Debris can contain elevated concentrations of lead from paint.

The appearance of the subject property on the RCRIS Small Quantity Generator list presents a low potential for contamination. The listing is likely the result of a one-time disposal of a small quantity of wastes, possibly from the photo developer, or maintenance materials including paints and solvents.

Surrounding Properties

The potential for surrounding properties to have adversely affected the subject property is generally low. The surrounding land use since the early 1900s has been primarily offices and retail developments. The Sound Printing and Harbor Cleaners located across Union Street on First Avenue were cross-gradient and would not likely impact the property. The dye works present to the northeast in the 1930s presents some limited concern. However,



this location appears to have been a branch office, and dyeing may not have taken place at that location. The site was redeveloped as a parking garage in the 1960s.

There are no agency-listed sites with reported groundwater contamination on the neighboring upgradient properties to the north and east. The upgradient LUST sites at J.C. Penney, Parkade, and the Jones Building were not reported as having groundwater contamination. If groundwater contamination had occurred and was not detected, it is possible that the subject property could be impacted. However, based on distance, the impacts would likely be minimal, and would not likely significantly impact construction on the subject property. In summary, we did not identify any major sources of migrating contaminants and past or present use of USTs or hazardous materials on the immediately adjacent properties.

LIMITATIONS

Work for this project was performed, and this letter report prepared, in accordance with generally accepted professional practices for the nature and conditions of the work completed in the same or similar localities, at the time the work was performed. It is intended for the exclusive use of Pine Street Group LLC, for specific application to the subject property. This report is not meant to represent a legal opinion. No other warranty, express or implied, is made.

It should be noted that Hart Crowser relied on information provided by the individuals indicated above. Hart Crowser can only relay this information and cannot be responsible for its accuracy or completeness.

Our work did not include sampling or testing of drinking water for lead content, sampling for indoor air quality, assessment of sewer systems, sampling for radon vapor, a "good-faith" survey of asbestos and lead, and other items not the standard of practice for our time, unless otherwise noted herein.



Pine Street Group, L.L.C.
April 19, 2002

7731
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Any questions regarding our work and this letter report, the presentation of the information and the interpretation of the data are welcome and should be referred the undersigned.

We trust that this report meets your needs.

Sincerely,

HART CROWSER, INC.

ROB ROBERTS
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ROBERT WEAVER
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Attachments:

Figure 1 - Vicinity Map

Figure 2 - Site Plan

Appendix A - Site Reconnaissance Photographs

Appendix B - Historical Documents

Appendix C - Site Assessment Report

EDR, Inc.

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